

FLA Audit Profile		FLA IEV
Country	Mexico	Mexico
Factory name	400050393E	400050393EV
IEM	ACCORDIA GLOBAL COMPLIANCE GROUP	COVERCO
Date(s) in facility	October 20, 2006	October 13-14, 2011
PC(s)	ASICS	ASICS
Number of workers	80	14
Product(s)	Textiles	Textiles
Production processes	Sewing, Trimming, Packing, Finishing Packing and Shipping	Sewing, Trimming, Packing, Finishing Packing and Shipping
FLA Code / Compliance issue	FLA Benchmark	Noncompliance
1. Code Awareness		
Code posting/information	<b>FLA Principle of Monitoring, Obligation of Companies:</b> Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	There is no code of conduct poster. The facility has only posted its own internal rules and regulations.
Worker/management awareness of Code	<b>FLA Principle of Monitoring, Obligation of Companies:</b> Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the	Management and workers are found to be unaware of the FLA/participating company code. There is no evidence of training on the part of the participating company.
Confidential non-compliance reporting channel	<b>FLA Principle of Monitoring, Obligation of Companies:</b> Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for	Workers have no channel for confidential reporting.
2.Forced Labor		

FLA Code / Compliance issue	FLA Benchmark	Noncompliance
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.		
Employment Records	Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Employment contracts were signed by employees but were not signed by a factory representative.
<b>3. Child Labor</b>		
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.		
<b>4. Harassment or Abuse</b>		
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.		
H&A.3 Discipline/Review of Disciplinary Action	The disciplinary system shall include possibilities for workers to have disciplinary action imposed on them reviewed by someone at a higher managerial position than the manager who imposed the disciplinary action. In addition, such a system shall include the ability of a worker to appeal and/or question any disciplinary action against him or her and/or have a third party of his or her choice present when the disciplinary action is being imposed.	
<b>5. Nondiscrimination</b>		
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.		
<b>6. Health and Safety</b>		
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities		

FLA Code / Compliance issue	FLA Benchmark	Noncompliance
Fire Safety Health and Safety legal compliance	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required	A fire permit was obtained but was not posted in the factory.
Evacuation Procedure	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Three of the four tested lighting fixtures were found to be inoperable (on the south perimeter wall near the overhead door, on the wall opposite the receptionist area and above workers' lockers, and in the canteen).
		Inaccurate sign for evacuation - an escape sign point towards the canteen wall.
Safety Equipment	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	Fire extinguishers lack current inspection dates.
		Monitors noted the lack of a fire alarm during their visual inspection of the factory.
		First aid kits were not sufficiently stocked. Monitors found only alcohol, tincture of merthiolate, hydrogen peroxide and gauze bandages in the first aid kits.

FLA Code / Compliance issue	FLA Benchmark	Noncompliance
		Fire extinguisher signage is not in compliance with Mexican health and safety regulations. Fire extinguishers were found to be located on two structural uprights in the center of a floor and they lacked signage.
PPE	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical	There was no PPE found in use at the chemical spot cleaning station.
Chemical Management	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	Eye wash for chemical spot cleaning not found in the area. The closest bathroom is located approximately 100 feet away from this area.
		Material Safety Data Sheets were not found for: 1) N6816 Desmanchador Universal (which contains methylene chloride and tetrachloroethylene); 2) CPC Electronic Cleaner; 3) Silicone; and 4) WD40.
		The reservoir on spray gun for spot cleaning was not labeled as to its contents.
		There is no evidence of training regarding the use of chemicals and precautions for workers to take.
Ventilation/Electrical/facility maintenance	All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	Electrical wires are obstructing aisles or passages.
Record Maintenance	All safety and accident reports shall be maintained for at least one year, or longer if required by law	

FLA Code / Compliance issue	FLA Benchmark	Noncompliance
Machinery Maintenance	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Factory equipment is not properly guarded to minimize the chances of accidents. Specifically, a drive pulley is missing a protective guard (Line 5, Machine #3).
Sanitation in Facilities	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	There was no soap in the men's bathroom.
Sanitation in Dining Area	All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.	Three out of the four bottled water dispensers were found to be empty.
Worker Participation	Workers should be involved in planning for safety, including through worker safety committees	There is no Health and Safety Committee.
Other - Housekeeping		Pallets were stored upright on end. This is an unsafe practice and represents a falling object hazard.
<b>7. Freedom of Association and Collective Bargaining</b>		
<b>8. Wages and Benefits</b>		
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits		
Legal benefits	Employers will provide all legally mandated benefits to all eligible workers	Pago de Utilidades not paid to workers.
<b>9. Hours of Work</b>		
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period		

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<b>FLA Comment:</b> As per FLA Independent External Monitoring (IEM) procedures, in situations where a FLA-affiliated Company is no longer sourcing from a factory that has received an IEM visit, the Company shall submit information regarding the circumstances of their exit. In the case of this report, the company has failed to provide the FLA with exit explanation despite multiple reminders. Exit explanation will be posted when received from the company.			
<b>IEM Findings</b>			
<b>Risk of Noncompliance</b>	<b>Evidence of Noncompliance (Uncorroborated)</b>	<b>If Not Corroborated, Explain Why</b>	<b>Sources/Documentation Used For Corroborating</b>
			Monitors observed that the code was not posted during their walk through of the facility.
			Monitors came to this conclusion after interviewing management and workers.
			Monitors made note of this non-compliance after interviews with workers.

<b>IEM Findings</b>			
<b>Risk of Noncompliance</b>	<b>Evidence of Noncompliance (Uncorroborated)</b>	<b>If Not Corroborated, Explain Why</b>	<b>Sources/Documentation Used For Corroborating</b>
			Monitors noted this non-compliance during a review of worker personnel files.

IEM Findings			
Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/Documentation Used For Corroborating
			Monitors noted that there was no fire permit during their visual inspection of the factory.
			Monitors noted the lack of an emergency lighting system during their visual inspection of the factory.
			Monitors noted the inaccurate sign for evacuation during their visual inspection of the factory.
			Monitors noted the lack of current inspection dates during their visual inspection of the factory.
There is a risk associated with the facility's alarm system. The combination of playing music, the ambient noise level of the machinery and the fact that the facility is occupied by multiple tenants may lead to inadequate notification of workers during an emergency evacuation.			Monitors noted the lack of a fire alarm during their visual inspection of the factory.
			Monitors made this observation during their visual inspection of the factory.

IEM Findings			
Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/Documentation Used For Corroborating
			Monitors made this observation during their visual inspection of the factory.
			Monitors made this observation during their visual inspection of the factory.
			Monitors made this observation during their visual inspection of the factory.
			Monitors made this observation during their visual inspection of the factory.
			Monitors made this observation during their visual inspection of the factory.
			Monitors noted this non-compliance during interviews with workers as well as during the walk through of the facility.
			Monitors made this observation during their visual inspection of the factory.



IEM Findings			
Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/Documentation Used For Corroborating
			Monitors noted this non-compliance during their visual inspection of the factory.
			Monitors noted this non-compliance during their visual inspection of the factory.
			Monitors noted this non-compliance during their visual inspection of the factory.
			Monitors noted this non-compliance after interviews with management and workers.
			Monitors noted this non-compliance during their visual inspection of the factory.
			Interview with workers, management and review of payroll records.

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	<b>Remediation</b>				<b>[Status]</b>
<b>Notable Features Implemented By Factory Management Or Company</b>	<b>PC Remediation Plan</b>	<b>Target Completion Date</b>	<b>Company follow up (Cite Date of Follow Up)</b>	<b>Documentation</b>	<b>Completed; Pending; Ongoing</b>
	Asics will provide a code of conduct poster in Spanish.	Q2, 2007	9/1/07		Completed
	1) ASICS will provide background on the FLA to management at HQ and [factory] locations. 2) ASICS will return Q1-2, 2007 for internal audit and worker education training.	1) Week of Dec. 4, 2006 2) Q2 2008	1) Q2 2007, 2) 4/14/2008		Completed
	[Factory] has a suggestion box. ASICS will work with [factory] to develop a practical method for workers to report non-compliances to the code. Per management interview, workers go directly to the general manager to discuss issues involving pay checks and supervisors. ASICS will continue to search for a local individual who can serve as a secure communication channel.	Q2, 2008	4/14/2008		Ongoing

	Remediation				[Status]
Notable Features Implemented By Factory Management Or Company	PC Remediation Plan	Target Completion Date	Company follow up (Cite Date of Follow Up)	Documentation	Completed; Pending; Ongoing
	All contracts, by law, are to be signed by both employees and factory representatives.	30-Dec-06	1) Q2 2007, 2) 4/14/2008		Completed

	Remediation				[Status]
Notable Features Implemented By Factory Management Or Company	PC Remediation Plan	Target Completion Date	Company follow up (Cite Date of Follow Up)	Documentation	Completed; Pending; Ongoing
	Fire permit will be posted as required.	30-Dec-06	1) 3/7/2007 2) 4/14/2008		Completed
	Proper emergency lighting to be installed.	30-Jan-07	1) 1/15/2007 2) 4/14/2008		Completed
	All evacuation signage to be accurate and properly placed throughout the facility.	30-Jan-07	1) 3/7/2007 2) 4/14/2008		Completed
	Fire extinguishers will be inspected monthly and replaced annually external resource.	30-Jan-07	1) 3/7/2007 2) 4/14/2008		Completed
	According to local regulations, an alarm system is not required. Factory, due to financial condition, will not make additional purchases unless required by law or ASICS. Noise levels will be monitored.	Q2, 2007	4/14/2008		Completed
	First aid kits were adequately stocked during Asics visit December 13, 2006.	13-Dec-06	1) 3/7/2007 2) 4/14/2008		Completed

	Remediation				[Status]
Notable Features Implemented By Factory Management Or Company	PC Remediation Plan	Target Completion Date	Company follow up (Cite Date of Follow Up)	Documentation	Completed; Pending; Ongoing
	Proper signage to be posted throughout the factory per Health and Safety regulations.	30-Jan-07	4/14/2008		Completed
	Chemical spot cleaning stations will be properly equipped with PPE and workers will be trained in the use.	30-Mar-07	4/14/2008		Completed
	Eye wash will be purchased and located in spot-removal area.	30-Jan-07	4/14/2008		Completed
	MSDS to be available in the local language for all chemicals. Workers to be trained in use and storage.	30-Mar-07	4/14/2008		Ongoing
	All containers containing chemicals to be properly identified and to include contents. Workers to be trained in the use and storage of chemicals.	30-Mar-07	4/14/2008		Completed
	Workers are to be trained in the handling and storage of all chemicals used at their workstations. MSDS to be available in the local language.	30-Mar-07	4/14/2008		Completed
	Aisles and passageways are to remain clear and free of any obstacles.	Immediately	1) 3/7/2007 2) 4/14/2008		Completed

	Remediation				[Status]
Notable Features Implemented By Factory Management Or Company	PC Remediation Plan	Target Completion Date	Company follow up (Cite Date of Follow Up)	Documentation	Completed; Pending; Ongoing
	Where required, all machinery to be equipped with guards and protection.	13-Dec-07	4/14/2008		Completed
	Bathrooms are to be supplied w/ soap, tissue and towels at all times.	13-Dec-06	4/14/2008		Completed
	Bottled water to be adequately stocked at all times.	13-Dec-06	4/14/2008		Completed
	[Factory] management will work w/ the commission to start a health and safety program.	Q2, 2007	4/14/2008		Completed
	Pallets are to be stored flat at all times.	Immediately	1) 12/13/2006 2) 4/14/2008		Completed
	ASICS compliance manager was shown a report that indicated payments were made. Further research will be done during internal audit in Q1-2 2007	Q2, 2007	3/7/2007		Completed

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IEV				
<b>Verification</b>	<b>Documentation</b>	<b>Date of Verification</b>	<b>Completed; Pending; Ongoing</b>	
Pending: Monitors were not able to verified if ASICS formally conveyed the Code of Conduct to the factory management. The management did not provide any documents. The ASICS code was not posted anywhere at the factory.	Factory inspection	October 13-14, 2011	Pending	
Pending: Interviews with workers and management revealed that neither management nor worker are aware of ASICS Code of Conduct. The ASICS Code was not posted anywhere at the factory.	Factory inspection and worker & management interviews	October 13-14, 2011	Pending	
Pending: ASICS has not developed a secure communication channel enabling the workers to report on any non-compliances with the workplace standards at the factory.	Worker interviews	October 13-14, 2011	Ongoing	

IEV				
Verification	Documentation	Date of Verification	Completed; Pending; Ongoing	
Pending (could not be verified): The monitors were not provided with the personnel records during the two day audit. The factory management reported that all records and files are kept at the accountant's office, and those would be brought for monitor's review. However, although requested for several times, the files and records have not been provided until the end of the audit.	Management interview	October 13-14, 2011	Pending	
New Finding: Interviews with the workers revealed that the disciplinary system at the factory does not allow workers to appeal any disciplinary action imposed. The issue could not be verified through records review, as monitors were not provided any documents or personnel files..	Worker interviews	October 13-14, 2011	Ongoing	

IEV				
Verification	Documentation	Date of Verification	Completed; Pending; Ongoing	
Pending: Visual inspection revealed that there are no fire permits at the factory. Management reported that they were not able to process the permits due to financial reasons.	Factory inspection and management interview	October 13-14, 2011	Pending	
Completed: It was noted that emergency lighting is functional at all areas.	Factory inspection	October 13-14, 2011	Completed	
Completed: Visual observation revealed that the evacuation signage at the production floor is accurate. Currently, the factory operations are held on the second floor.	Factory inspection	October 13-14, 2011	Completed	
Completed: Monitors noted that all extinguishers have the current inspection; expiration date is on May 12, 2012	Factory inspection	October 13-14, 2011	Completed	
Pending: There are no emergency alarm systems at the factory. Management commented that due to financial condition did not purchase an alarm system. According to the local regulations, it is the management's obligation to have an alarm system (NOM-002-STPS 2010, 4.2, 4.23, 5.10, 12.2, 13).	Factory inspection and management interview	October 13-14, 2011	Pending	
Completed: Monitors confirmed that the first aid kits are fully stocked. Interviews with the workers revealed that the workers have easy access to the first aid kits.	Factory inspection	October 13-14, 2011	Completed	

IEV				
Verification	Documentation	Date of Verification	Completed; Pending; Ongoing	
Completed: During factory inspection monitors noted that fire extinguisher signage is in compliance with the laws and extinguishers are properly located.	Factory inspection	October 13-14, 2011	Completed	
Pending: Monitors found that the workers using chemicals had no PPE or training regarding the proper use of chemicals.	Factory inspection and worker interview	October 13-14, 2011	Pending	
Pending: There was no eye-wash facility at the spot cleaning area.	Factory inspection	October 13-14, 2011	Pending	
Pending: Monitors found no MSDS in spot removal station. Workers have not been trained in use and storage of the chemicals.	Factory inspection and worker interview	October 13-14, 2011	Pending	
Ongoing: Currently, the factory only uses one chemical. The chemical container was labeled but the spray gun was not labeled.	Factory inspection and worker interview	October 13-14, 2011	Ongoing	
Pending: During interviews monitor noted that worker at the spot removal area has not been trained in the proper use and storage of chemicals. No MSDS were available.	Factory inspection and worker interview	October 13-14, 2011	Pending	
Completed: During factory inspection monitor noted that all aisles were clear of wires and obstacles.	Factory inspection	October 13-14, 2011	Completed	
		October 13-14, 2011		



IEV				
Verification	Documentation	Date of Verification	Completed; Pending; Ongoing	
Completed: Currently, the factory has only 4 sewing machines and those are equipped with necessary guards and protection.	Factory inspection	October 13-14, 2011	Completed	
Completed: Monitors noted that factory has 1 bathroom for men and 2 for women. All bathrooms are supplied with soap, tissues and towels. All workers mention to have the freedom to use the bathroom at any time.	Factory inspection	October 13-14, 2011	Completed	
Completed: The factory has one water dispenser, which is enough for the current number of workers. During interviews, 100% of workers indicated that they are free to drink water at any time.	Factory inspection and workers interviews	October 13-14, 2011	Completed	
Pending: There is no Health and Safety Committee in the factory.	Management interview	October 13-14, 2011	Pending	
Completed: During factory inspection monitors noted that the pallets were stored properly.	Factory inspection	October 13-14, 2011	Completed	
Completed: Interviews with the management and the workers revealed that all of the workers received a cash payment in May 2011 for the profits earned by the company. Monitors could not verify this through documentation, as documents were not provided during the interviews.	Worker and management interviews	October 13-14, 2011	Completed	













IEV				
Verification	Documentation	Date of Verification	Completed; Pending; Ongoing	